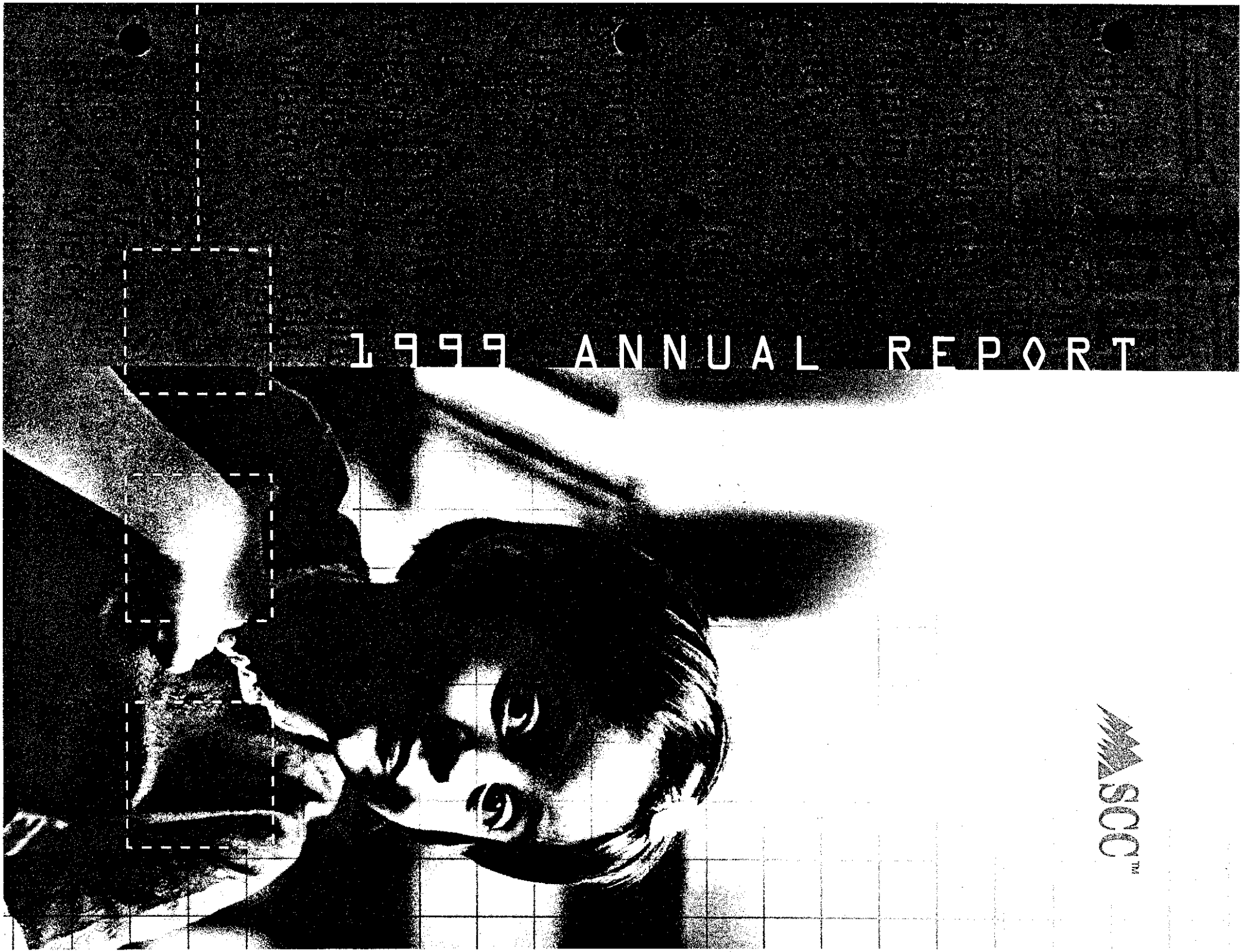
1999 ANNUAL REPORT
ASCC™

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Financial Highlights

(dollars in thousands, except per share data)	December 31, 1999	1998	1997	1996	1995
Total revenue	32,584	34,449	27,072	14,802	7,413
Income (loss) from operations	(2,137)	3,795	3,334	1,473	686
Net income (loss)	**$ (1,288)**	**$ 2,971**	**$ 1,875**	**$ 375**	**$(1,444)**
Net income (loss) per share:					
Basic	**$ (0.12)**	**$ 0.39**	**$ 0.61**	**$ (0.17)**	**$ (1.07)**
Diluted	**$ (0.12)**	**$ 0.29**	**$ 0.21**	**$ 0.05**	**$ (1.07)**
Cash and cash equivalents	$ 8,354	$ 10,266	$ 2,503	$ 32	$ 1,004
Short and long-term investments in marketable securities	13,158	9,815	—	—	—
Working capital (deficit)	18,014	17,678	(2,670)	(7,345)	(8,135)
Total assets	41,780	45,095	21,106	18,482	11,755
Long-term debt	2,038	2,791	6,891	3,318	1,934
Total stockholders' equity (deficit)	32,935	33,591	(11,867)	(13,068)	(4,614)

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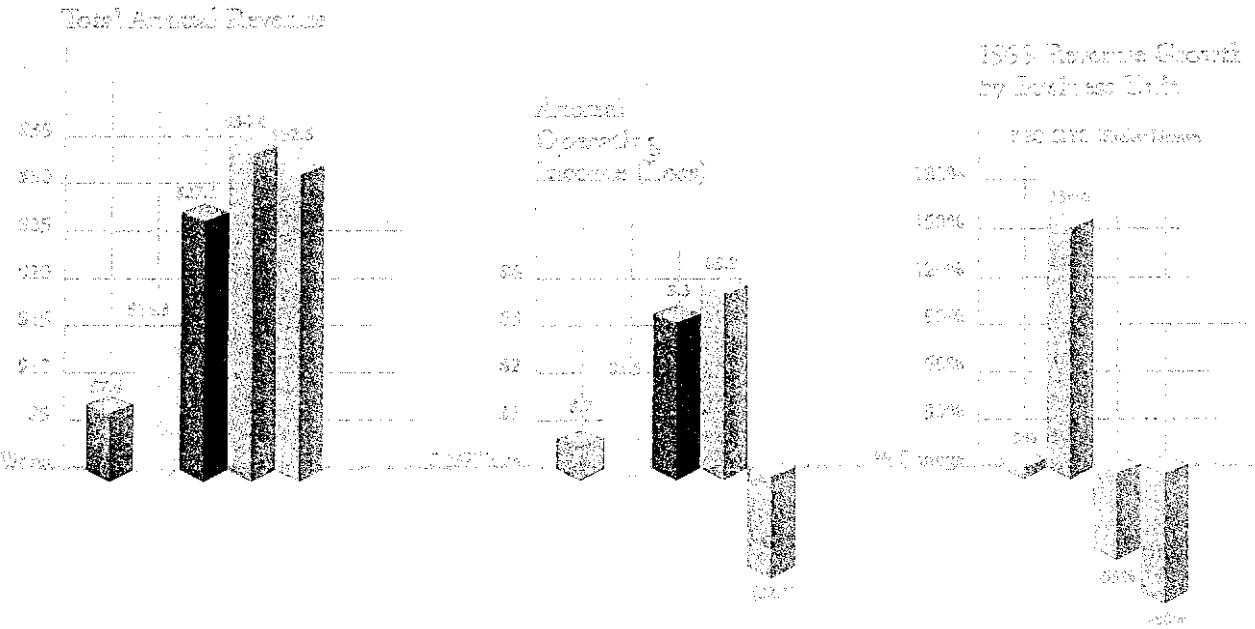


This included opening an office in Austin, Texas, to supplement our data management capabilities in Boulder, Colorado. It also included support for an extensive pilot of 40,000 telephone records and 17,000 service orders. There are between 11 and 12 million records in Texas, and entities representing more than six million have committed to transferring their records to SCC. To date, we have transitioned more than three million records and expect to complete the cutover of the initial six million records by the end of the year. We are working toward gaining management of the remaining six million in the near future. Therefore, the success of our investment is significant.

In addition to the strategic initiatives in each business unit, the Direct and ILEC business units teamed up to create new services, the first of which is our Emergency Warning and Evacuation℠ (EWE℠) service. EWE performs high-volume outbound telephone calling to targeted areas warning citizens of impending danger. By the end of 1999, we had completed testing of the product and signed a contract with a major ILEC to market the product under the name Emergency Preparedness Network (EPN). Several customers are now live on this product, and we are in contract negotiations in several other jurisdictions.

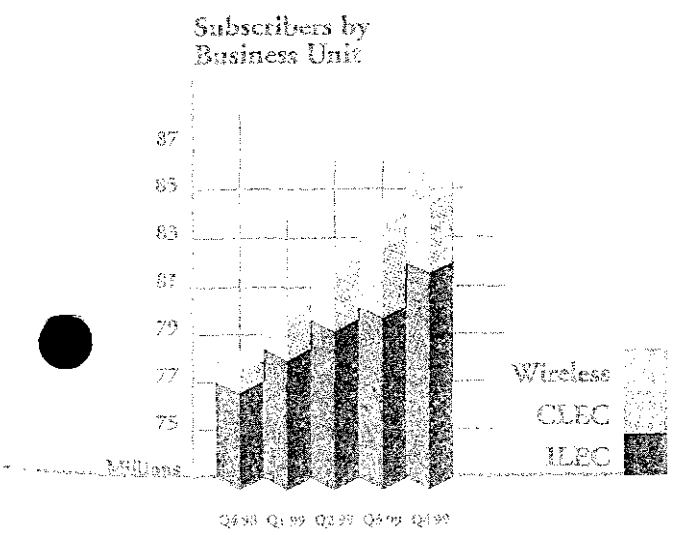
We made a strategic decision going into 1999 to focus our business on our data management services model and did not expend any significant efforts on selling our license model. As a result, our revenue from licenses and implementation services decreased by about $3.4 million. We remain committed to the recurring and long-term nature of our contracts under the services model. However, we may pursue certain license opportunities, such as in international markets, as we go forward.

Investment Strategy and Growth SCC is the undisputed leader in the delivery of mission-critical transactions to telecommunications carriers and public safety agencies—at present. But the use of wireless devices is growing at a phenomenal rate. Cars can phone for help. You can call your cousin from your PC—or your wristwatch! These innovative and exciting technologies have opened the door to the development of applications not previously possible, and they introduce 9-1-1 challenges that represent significant opportunities for SCC.

One such challenge lies in the fact that wireless callers roam, and the tether to a specific address does not exist. A national-scale solution is not in place to deliver the wireless call and location information through the 9-1-1 network and to route the roamer's calls to the appropriate answering point. Due to SCC's database assets and working relationships with the ILECs, CLECs, wireless carriers and public safety agencies, we are in a unique position to be the backbone for all 9-1-1 call routing and call and data delivery on a national scale. SCC will capitalize on this opportunity. Our 2000 strategy calls for investment of about $10 million in the research, development, marketing, and implementation necessary to create the next generation of 9-1-1 supporting infrastructure, as well as, opening the door to broad sets of new applications and services.

We're excited about the progress we've made and the opportunity that lies ahead. SCC has the vision, technology, and experience necessary to take public safety telecommunications into the 21st Century. We have built the complex infrastructure needed to support such a claim. Keeping pace isn't enough. SCC will continue to revolutionize the way 9-1-1 is done.

I thank our employees for their continued dedication and our shareholders for their support.



George K. Heinrichs,

President and Chief Executive Officer

The SCC Contribution

It's Sunday morning and your five-year-old impatiently runs into your bedroom to awaken you. She shakes you and calls your name, but you don't respond. She soon realizes that something is wrong and dials 9-1-1. As the calltaker answers, she identifies the problem but is unable to describe her address or location. The calltaker stays on the line and moments later, sirens can be heard. You're treated for severe allergies to new prescription pills and will go home that evening—thanks to enhanced 9-1-1.

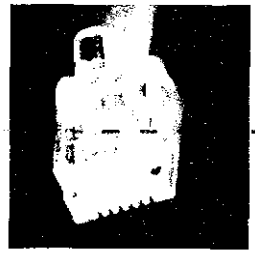
Dialing 9-1-1 has become an instinct for Americans in need. A service most of us give little thought to, 9-1-1 involves a multitude of routing, mapping, and database functions that must be carefully timed and painstakingly accurate. Whether you call 9-1-1 from Montana or Florida, your call is answered by a calltaker in your area. Your address is displayed on the computer screen, and help can be dispatched without a word. All this—the call routing and transmission of the caller's information—happens in mere seconds and is facilitated by the systems and data that SCC maintains.

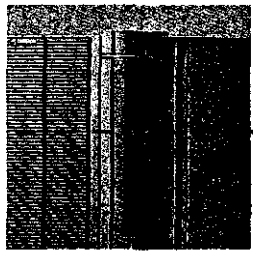
Investing in Safety

Early on in the development of enhanced 9-1-1, forward-looking designers understood the significance of pre-locating the 9-1-1 caller. It requires a series of mapping, routing, and database activities to provide data containing the phone number of the caller followed by the voice portion of the 9-1-1 call. Every physical location with a telephone number is mapped for accurate call routing. This allows the call to be directed to the calltaker in their area. During a 9-1-1 call, the telephone number triggers the display of attending information on the calltaker's computer screen—that is, the street address of the caller and the identification of the emergency response unit assigned to that street address. The calltaker instantly knows which response unit to send and where. Coaxing location information from an often hysterical caller in the midst of an emergency no longer delays the response. Lives are saved.

At the center of the inner workings of 9-1-1—from caller, to phone network, to calltaker, to response team—is the database that contains the attending information. The information contained in this database must be updated daily. And it must be constantly available. SCC is committed to making this data as accurate as possible.

Americans are constantly moving to new locations, adding new phone lines, and changing service providers. This creates the need to change the 9-1-1 database telephone subscriber record. The accuracy of the Master Street Address Guide (MSAG) is key to the proper routing of 9-1-1 calls. Over 100 SCC data analysts and supervisors work with our clients' local jurisdictions to ensure the accuracy and timeliness of updates. These data analysts provide support to more than 1,600 MSAG coordinators representing over 2,000 Public Safety Answering Points (PSAPs) in 29 states. The SCC data analysts handle tens-of-thousands of MSAG requests (either adds, changes, or deletes) annually. We manage over 90 million subscriber records. Our investment in safety saves lives and creates value to shareholders.





Seamless Performance
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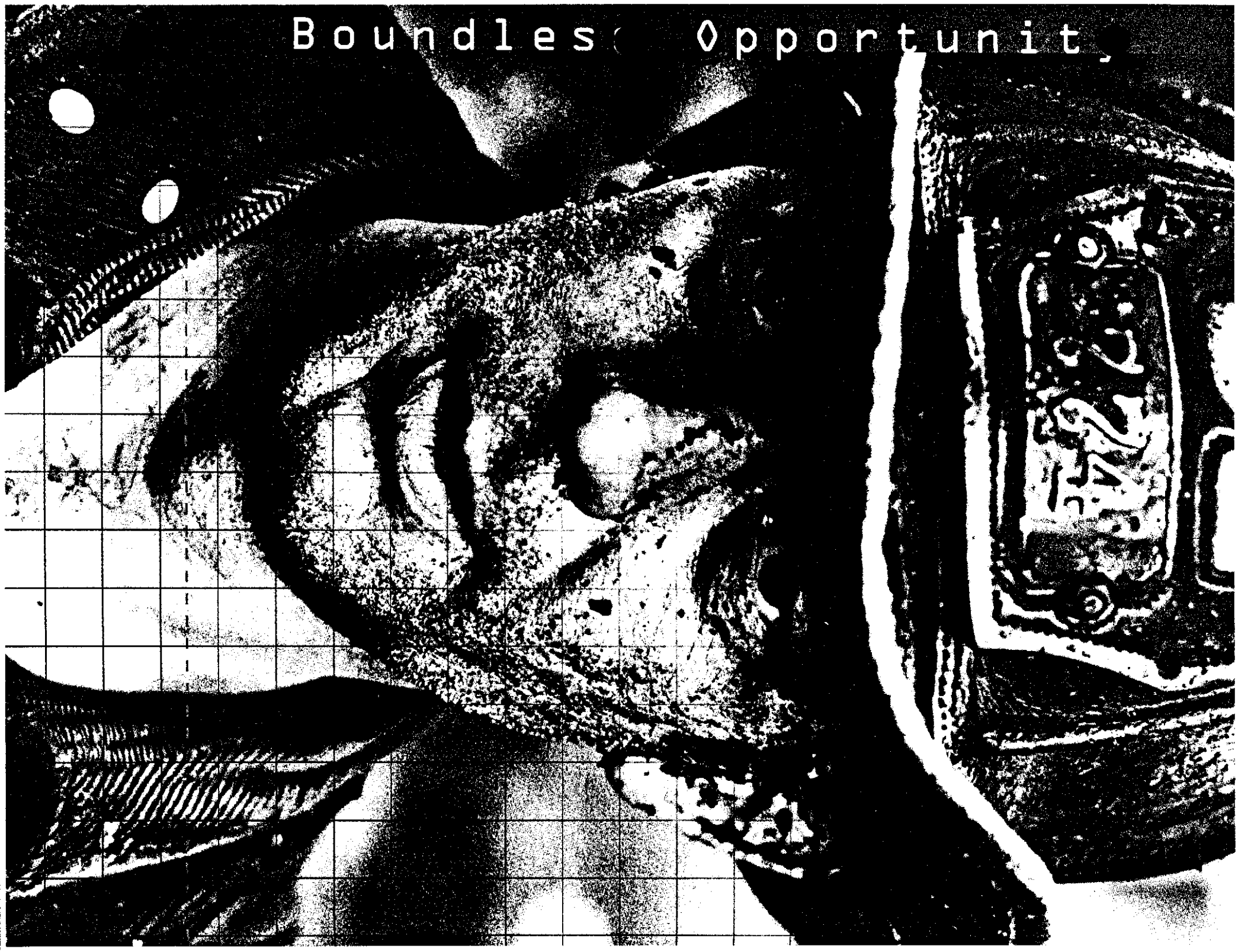

Boundless Opportunity

ILEC and Direct

Our ILEC business unit is focused on supporting our strong incumbent local exchange carriers. These customers, comprised primarily of Regional Bell Operating Companies, represented 82% of SCC's total revenue in 1999. Our ILECs characterize the backbone of SCC's revenue and we continue to look for ways to meet and exceed their expectations. Notably, the ILEC business unit saw a 6.5% increase in subscribers in 1999.

A significant development in wireline services was the rollout of Emergency Warning and Evacuation℠ (EWE℠) service in the fourth quarter of 1999. EWE is an advanced telephone-based emergency warning service. This service allows county and city agencies to deliver vital emergency information to their citizens through a high-capacity telephone system. Flash floods, wildfires, chemical spills, and hostage situations are all examples of incidents in which EWE can be used to advise people of the level of danger and the best action to take. SCC signed a contract with a major ILEC to co-market this product under the name Emergency Preparedness Network and currently has several sites live.

In 1998, the Direct business unit signed a contract with the State of Texas. This was the first time that a state government chose an alternative provider for 9-1-1 data management. A pilot test period was conducted in Texas in 1999 to demonstrate SCC's ability to independently manage the enhanced 9-1-1 database.

Due to the success of the pilot test, six million subscribers made a commitment to transition to SCC and, as of the end of the first quarter, approximately three million Texas-based records have been transitioned to our database. These records are now generating revenue for SCC. The rest of the committed six million Texas records will be transitioned during 2000. Sales efforts continue to bring the remainder of the approximately 12 million available subscribers in the State of Texas to SCC.

SCC opened an office in Austin, Texas, in 1999. This facility will supplement our customer service and support capabilities.

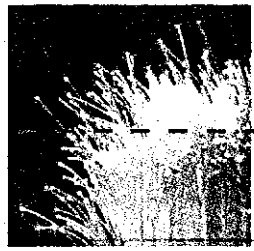
SCC is extremely proud of our partnership with the state of Texas. Our accomplishment there serves as a model for other states interested in providing reliable, technologically advanced alternatives for public safety services.

The SCC Contribution

It has been raining for days. Nearby dams are swollen. Experts predict that, in less than an hour, the Mason Dam will break, flooding a residential area of more than 16,000 residents. County emergency coordinators activate their Emergency Warning and Evacuation plan.

While fixing dinner, you receive a phone call containing a message informing you of a potential danger due to flooding from the Mason Dam. You are asked to evacuate immediately and seek shelter at Penrose Arena. You and your family are safe. SCC's Emergency Warning and Evacuation allows emergency coordinators to launch an emergency warning and notify thousands of residents within minutes. The residents contacted are only those in danger, thus eliminating the confusion common to sirens and broadcast warnings.

SCC manages over 90 million subscriber records[2]



The SCC Contribution

You sit down to dinner and the phone rings. It's a telephone provider offering you lower rates. Sounds great, so you make the switch and keep your original telephone number. While this appears simple, the ability to keep your existing telephone number when switching providers has become one of the most significant challenges to accurately maintaining the 9-1-1 database.

Established as part of the Telecommunications Reform Act of 1996, Local Number Portability (LNP) requires a series of precisely timed transactions between telephone providers and the 9-1-1 database. A lapse between these transactions could result in missing information during a 9-1-1 call.

In January of 2000, SCC launched a new service initiative: LNP2000℠. Directed by a team of specially trained senior analysts, LNP2000 has resulted in substantial improvements in service order timing and administrative processing. LNP2000 is another example of SCC's efforts to reduce the time and level of resources local service providers must expend.

CLEC

Our Competitive Local Exchange Carrier (CLEC) business unit continues to be the fastest-growing sector of our business with its TelConnect℠ service offerings. CLEC business represented 12% of SCC's total revenue in 1999. CLEC records increased 244% in 1999 as we executed 11 new CLEC contracts. CLEC subscriber growth expanded from 900,000 in the beginning of 1999 to over 3.1 million at the end of the year.

SCC's CLEC business unit established its Alliance Program in 1999. This program creates strategic partnerships with other businesses and vendors to develop and sell high-quality 9-1-1 Operations Support Systems℠ (9-1-1 OSS℠) for the CLEC market. Our alliances allow us to deploy cost-effective solutions to the market more rapidly.

Among the goals for 2000 is the development of a series of products to increase automation, resulting in the delivery of more cost-effective solutions. The plan also focuses on increasing the awareness of SCC and its value in the marketplace. These goals will be accomplished by continuing to provide an unsurpassed level of customer service, expanding the line of products and services offered by SCC, and establishing partnerships with more OSS vendors.

Investment in Safety
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by 2003